

DEPARTMENT OF REAL ESTATE

PO Box 187000

Sacramento, CA 95818-7000

916 227-0770



April 3, 2009

Building Capital Inc
David Thomas Parry, Designated Officer
1105 Glendon Ave
Los Angeles, CA 90024

Re: Advance Fee Agreement

This letter will acknowledge our receipt of your advance fee agreement and accounting format on March 17, 2009.

The Department has no objection to your use of the advance fee agreement and accounting format as submitted.

Please note that any changes to the agreement or the accounting format must be submitted to the Department for review before it is used. Any promotional materials that you may subsequently wish to use will require our prior review, as well. This includes press releases and announcements related to your advance fee activities.

This letter does not constitute, nor may you make any representation that the Department of Real Estate has endorsed or approved any aspect of your business activities.

Sincerely,

Sylvia I. Yrigollen
Senior Deputy Commissioner
Advance Fee Review Section

Example

2nd DRAFT (RP) 03/10/09

ADVANCE FEE AGREEMENT FOR LOAN MODIFICATION SERVICES

This ADVANCE FEE AGREEMENT FOR LOAN MODIFICATION SERVICES (this "agreement") is made and entered into this _____ day of _____, 20____, by and between the Real Estate Broker, Building Capital Inc. dba Building Capital, California Department of Real Estate license number 01344191 (the "Broker") and the Principal(s), _____ (the "Principal") for the mortgage loan modification services as described herein.

A. Preliminary Matters.

1. IMPORTANT NOTICES TO THE PRINCIPAL(S):

a. The amount or rate of fees specified in this agreement for services is not fixed by California law. Fees are set or established by each Broker individually and are subject to negotiation between the Principal and the Broker.

b. The Principal is compensating the Broker for services the Principal may be able to obtain at no charge from a housing counselor or by contacting the Lender(s) directly.

c. California Civil Code Section 2945.1(b)(3) prohibits a Broker from claiming, demanding, charging, collecting or receiving any compensation or advance fee from a person whose residence is in foreclosure until all of the promised services have been fully performed and completed. THIS AGREEMENT MAY NOT BE USED AND SHOULD NOT BE EXECUTED BY THE PRINCIPAL IF A NOTICE OF DEFAULT HAS BEEN RECORDED AGAINST THE SUBJECT PROPERTY LISTED BELOW.

THE PRINCIPAL CERTIFIES BY INITIALING BELOW THAT A NOTICE OF DEFAULT HAS NOT BEEN RECORDED AGAINST THE SUBJECT PROPERTY.

_____**Initials of Principal(s)** _____**Initials of Principal(s)**
_____**Initials of Principal(s)** _____**Initials of Principal(s)**

2. Information Regarding the Loan(s) and Related Property ("Subject Property") for Which the Loan Modification Services Will Be Provided:

Address of Property: _____

Description of Existing Loan Obligation(s) on the Subject Property:

1st Lender Name: _____

1st Loan Account #: _____

1st Lender Balance \$: _____

**I HEREWITH CERTIFY THIS TO BE A
TRUE AND CORRECT COPY OF THE ORIGINAL
BY Dalton 03/10/09
BUILDING CAPITAL, INC.**

2nd Lender Name: _____

2nd Loan Account #: _____

2nd Lender Balance \$: _____

Late Property Taxes: _____

Other Liens: _____

B. Agreement.

In consideration of the mutual promises and agreements exchanged, the Broker and the Principal agree as follows:

1. Amount and Payment of Advance Fee. The Principal agrees to pay an advance fee of **\$3,500.00** to the Broker on the date this agreement is signed by the Principal or within one hundred twenty (120) calendar days of the execution of this agreement by all parties.

2. Deposit of Advance Fee and Accounting of Funds. The Broker will deposit the advance fee into Broker Trust Account # 60020343356 located at First Federal Bank, 12401 Wilshire Blvd., Los Angeles, CA 90025. The Broker will provide a verified accounting of these funds to the Principal no later than 10 business days after the end of each calendar quarter (March 31, June 30, September 30, December 30) following the execution of this agreement by the Principal, and no later than 10 business days after the completion or termination of this agreement (whichever occurs first).

3. Scope and Completion of, and Payment for, Loan Modification Services. The Broker shall perform the following loan modification services (without limitation) for and on behalf of the Principal. It is understood by the parties that the list below is not "exhaustive", and that not all of the services listed below may be relevant to the Principal's loan(s) on the subject property.

Phase I: Gather & Review

- 1) **General Information:** Interview the Principal to gather and review **General Information** about the current loan(s) and terms to include:
- Mortgage loan(s) principal balance
 - Monthly payment amount
 - Mortgage statements
 - Loan documents
 - Current interest rate
 - Expected rate and/or payment adjustments
 - Equity: The residual value of a property beyond any mortgage thereon and liability therein
 - Loan(s) payment history
 - Correspondence from the lender(s)

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BY  03/16/09
BUILDING CAPITAL, INC.

- 2) **Income and Assets:** Information about the Principal's **Income and Assets**, including:
- a. Paystubs
 - b. W2s
 - c. 1099s
 - d. Benefit award letters
 - e. Retirement and pension benefit statements
 - f. Annuity statements
 - g. Child support/alimony
 - h. Tax returns
 - i. Profit and loss statements
 - j. Schedules of real estate owned
 - k. Stock and mutual fund portfolio statements
 - l. Bank statements
 - m. Proof of any other income
- 3) **Subject Property:** Information about the **Subject Property**, including:
- a. Property profile
 - b. Comparable sales
 - c. Active listings
 - d. Current property listing information
 - e. Other applicable documents
- 4) **Ability to Repay:** Information about the Principal's **Ability to Repay** the loan(s), including:
- a. Credit history,
 - b. Hardship circumstances
 - c. Financial profile
 - i. Assessment of income
 - ii. Assets
 - iii. Expenses
 - iv. Housing debt to income ratio
- 5) **Hardship Summary / Letter:** Assist the Principal in preparing a **Hardship Summary / Letter**
- 6) **Loan Modification Request:** Prepare and submit **Loan Modification Request** and package of supporting documents to lender(s)

Completion of Phase I Services: The Broker will complete these Phase I services within thirty (30) calendar days from the date this agreement is made, as first above written, based upon the Principal providing the Broker with ALL applicable Phase I items no later than 5 business days prior to the expiration of the 30 calendar day period as referenced immediately above.

Payment for Phase I Services: The Broker shall be entitled to twenty-five percent (25.00%) of the advance fee of \$3,500.00 (which entitlement percentage for Phase I services equals \$875.00) for the performance of the applicable and relevant services described in Phase I and others as may be necessary and/or appropriate.

I HEREWITH CERTIFY THIS TO BE A
TRUE AND CORRECT COPY OF THE ORIGINAL
BY [Signature] 03/10/09
BUILDING CAPITAL, INC.

Phase II: ANY of the following items shall constitute a "Successful Loan Modification"
(see paragraph 5 below, a. through j. inclusive)

Phase II services are focused on the Broker's efforts to vigorously and successfully seek through the Lender(s) an offer to the Principals (which offer shall be assessed by the Broker and clearly explained to the Principals) of proactive loan modification solutions which will provide the Principals with the opportunity to remain in the Subject Property while making affordable loan payments.

1. Contact the Lender(s) to discuss/negotiate the loan modification request(s) and package of supporting documents.
2. Communicate regularly with the Lender(s) to attempt to negotiate new, and more favorable, loan terms on behalf of Principal.
3. Assist the Principal in understanding and deciding about the modification terms offered by the Lender(s). *Disclaimer: Principal shall consult an Attorney for legal advice and a Certified Public Accountant, Enrolled Agent or Tax Preparation Professional for accounting advice.*
4. Successfully negotiate and/or accomplish a loan modification for the Principal.
5. **"Successful loan modification performance"** by the Broker shall have occurred if the Principal accepts one or more of the loan modifications set forth below:
 - a. Change adjustable interest rate to a fixed interest rate
 - b. Reduce fixed interest rate to a lower fixed interest rate
 - c. Reduce balance of the principal amount of the loan
 - d. Reduce adjustable interest rate / reduce CAPS of adjustable interest rate
 - e. Stop upward adjustment of adjustable interest rate
 - f. Arrange for the delinquent payment amounts to be added to the end of loan
 - g. Arrange for the delinquent payment amounts to be added to a longer loan period
 - h. Arrange for the delinquent payment amounts to be accepted in an alternative payment plan
 - i. Eliminate or reduce the delinquent payment amounts
 - j. Arrange for the lender to accept a discounted pay-off or forbearance

Completion of Phase II Services: The Broker will complete these services within 90 calendar days from the date this agreement is made, as first above written.

Payment for Phase II Services: The Broker shall be entitled to **75.00%** of the advance fee (the remainder of the advance fee "not earned and paid" for Phase I services (which entitlement percentage for Phase II services equals **\$2,625.00**) only for the "successful loan modification performance" of these Phase II services as described in Phase II (section d above).

4. Refund of Advance Fee Until Earned. The advance fee paid by the Principal is fully refundable until earned by the Broker. If any of the agreed upon services are not completed by the Broker by the agreed upon completion date(s), the unearned portion of the advance fee will be refunded to the Principal within 5 business days. If this agreement is terminated by the Principal before the agreed upon completion date and before the agreed upon services are completed, the unearned advance fee will be refunded to the Principal within 5 business days.

I HEREWITH CERTIFY THIS TO BE A
TRUE AND CORRECT COPY OF THE ORIGINAL
BY  03/10/09
BUILDING CAPITAL, INC.⁴

6. Responsibilities and Obligations of the Principal. The Principal agrees to furnish the Broker with truthful and accurate information and any documents that will be required by the Broker and the Lender(s) to assess the Principal's financial status, including (without limitation) the following within seven (7) calendar day from the date of this agreement. **FAILURE BY THE PRINCIPAL TO PROVIDE THE BROKER WITH THE "PHASE I" ITEMS LISTED BELOW WITHIN 5 BUSINESS DAYS PRIOR TO THE 30 CALENDAR DAYS AS OUTLINED ABOVE SHALL ALLOW AND ENTITLE THE BROKER (IN WRITING TO THE PRINCIPAL) TO CANCEL THE PRINCIPAL'S LOAN MODIFICATION APPLICATION AND/OR FILE. IN THE EVENT OF SUCH CANCELLATION, THE BROKER SHALL REFUND ANY ADVANCE FEE DEPOSIT AND RETURN SAID MONIES IN FULL TO THE PRINCIPAL WITHIN 5 BUSINESS DAYS FROM THE DATE OF THE BROKER'S WRITTEN CANCELLATION. IN THE EVENT THAT THE PRINCIPAL, FOR ANY REASON, CHOOSES TO CANCEL THE LOAN MODIFICATION APPLICATION AND/OR FILE DURING PHASE I, THE BROKER SHALL REFUND ANY ADVANCE FEE DEPOSIT AND RETURN SAID MONIES IN FULL TO THE PRINCIPAL WITHIN 5 BUSINESS DAYS FROM THE DATE OF THE PRINCIPAL'S WRITTEN CANCELLATION IS RECEIVED BY THE BROKER. IN THE EVENT THAT THE PRINCIPAL PROVIDES THE BROKER WITH ALL PHASE I LINE ITEMS LISTED BELOW, THE BROKER SHALL CONDUCT, IN GOOD FAITH, A THOROUGH AND COMPREHENSIVE REVIEW OF SAID ITEMS, SUBMIT THE PACKAGE TO THE LENDER AND THEREBY BE ENTITLED TO AND SUBSEQUENTLY RETAIN THE 25.00% PORTION OF THE ADVANCE FEE IN THE AMOUNT OF \$875.00:**

1. Mortgage Statements for the past three (3) months
2. Paystubs for the past two (2) pay periods
3. W-2 forms, 1099 forms, and/or Tax Returns for the past two (2) years
4. Profit and Loss Statements (P&L) for the past two (2) years (if Self-Employed)
5. Bank Statements for the past two (2) months
6. Verification of any other OR additional income:
 - a. Benefit Award Letters
 - b. Retirement Statements
 - c. Pension Benefit Statements
 - d. Annuity Statements
 - e. Child Support
 - f. Alimony
7. Schedules of Real Estate owned
8. Stock and Mutual Fund Portfolio Statements for the most recent quarter or period
9. Third Party Authorization executed form (signed AND dated) for the Broker to obtain Principal information from Lender
10. The Principal also agrees to provide additional information or documentation within five (5) days of the Broker's request.
11. The Principal further agrees to immediately notify the Broker of any change in the Principal's address within five (5) days of Principal's relocation.

6. Reasonable Efforts / No Guarantees. The Broker will make "**reasonable efforts**" to conclude a "successful loan modification performance" as described in Phase II above (paragraph 5, "a" through "j" inclusive). **However, the Principal acknowledges that the Broker cannot guarantee that the Principal's existing lender(s) will agree to a modification of the loan(s), and that Principal's existing lender(s) is not obligated to modify the terms of the loan(s) in any way and may not agree to any changes in the loan(s).**

I HEREWITH CERTIFY THIS TO BE A
TRUE AND CORRECT COPY OF THE ORIGINAL
BY Delia 03/10/09
BUILDING CAPITAL, INC. 5

7. Governing Law. This agreement shall be governed by and construed under the laws of the State of California.

8. Amendments. Except as set forth herein, this agreement may not be amended or modified orally and no provision of this Agreement may be waived or amended except in a writing signed by the Principal and the Broker.

9. Severability. If any provision in this agreement is determined to be invalid, illegal, or otherwise unenforceable, the determination will not affect any other provision of this agreement. The invalid will be severed from this agreement and all remaining provisions will continue to be in full force and effect.

10. Termination of Agreement. Either the Principal or the Broker may terminate this agreement at any time for any reason upon written notice to the other party. At the time of termination, all earned but unpaid fees for completed services (as set forth and described in provision number 3 of this agreement) become due to the Principal and payable by the Principal to the Broker.

11. Indemnification. The Principal agrees to indemnify, defend and **“hold the Broker harmless”** from all damages, liabilities, claims, obligations, disputes, litigation and/or judgments (and reasonable attorneys fees and costs) which (i) arise from or are related to any incorrect material information and/or material omissions in information supplied by Principal to the Broker and/or (ii) arise from or are related to any material facts that the Principal knows but fails to disclose.

12. Dispute Resolution. The parties to this agreement will endeavor to resolve any disputes or disagreements between them with respect to or concerning this agreement in a fair and amicable manner. However, if the parties are unable to resolve any such disputes between and/or among themselves (whether in law or equity), the parties expressly agree to binding, neutral arbitration in accordance with the California Code of Civil Procedure with any recognized California arbitration service. Said binding arbitration shall be the exclusive dispute resolution mechanism for seeking legal redress under this agreement. The arbitration hearing shall be conducted pursuant to the California rules of evidence and shall occur in the County where the Subject Property is located. The parties agree to share equally the costs of any such arbitration. Reasonable attorney's fees and costs shall be awarded to the prevailing party. In the event that the Broker prevails, the Principal shall also pay to the Broker the Broker's loan modification fees due pursuant to Phase I and Phase II as referenced in this contract.

13. Time of Essence. Time is of the essence with respect to every provision of this agreement that specifies a time for performance.

14. Entire Agreement. Except as otherwise provided by section 2970 (b)(4) of Title 10 of the Code of Regulations, Chapter 6 (Real Estate Commissioner's Regulations), this agreement constitutes the entire agreement and a complete and exclusive expression of the parties' agreement respecting the loan modification services contemplated. Except as conditioned above, this agreement may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement.

15. Successors and Assigns. This agreement shall be binding upon the successors and assigns of the parties.

I HEREWITH CERTIFY THIS TO BE A
TRUE AND CORRECT COPY OF THE ORIGINAL
BY [Signature] 03/10/09
BUILDING CAPITAL, INC. 6

16. Acknowledgements and Representations. The parties signing below acknowledge they have read and understood this agreement and have each received a copy. The Principals warrant they have the authority to enter into this agreement with regard to the Subject Property and loan(s) herein described.

_____ Name(s) of Principal(s)	_____ Signature	_____ Date
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_____ Name(s) of Principal(s)	_____ Signature	_____ Date
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_____ Name(s) of Principal(s)	_____ Signature	_____ Date
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_____ Name(s) of Principal(s)	_____ Signature	_____ Date
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_____ Broker Name/Designated Officer Name	_____ Signature	_____ Date
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Broker (Corporation) License Number: **01344191**

I HEREWITH CERTIFY THIS TO BE A
TRUE AND CORRECT COPY OF THE ORIGINAL
BY  03/10/09
BUILDING CAPITAL, INC.

Example

BUILDING CAPITAL *Inc.*

THIRD PARTY AUTHORIZATION AND AGREEMENT TO RELEASE

Authorization to Release Information & Credit - Debt Negotiation Disclosure

The Principal/Co-Principal hereby authorizes and requests that you release to Building Capital, Inc./BCI Realtors, BCI Realty for verification and/or evaluation purposes, information concerning:

- 1) Employment history, dates, title, income, hours worked, etc.
- 2) Banking and all asset accounts of record.
- 3) Mortgage Loan Rating (including but not limited to opening date, high credit, payment amount, loan balance, and payment record, any/all supplements).
- 4) Copies of any notes, deeds of trust, assignments, assumptions, appraisals, confidential internal documents and/or any other information deemed necessary in connection with a consumer credit report for real estate transaction.
- 5) Principal/Co-Principal grants Building Capital, Inc./BCI Realtors/BCI Realty limited Power of Attorney to negotiate on their behalf with creditors for short pays, workouts, collections, & risk management.
 - a. Loan Modification and/or Loss Mitigation departments and any other effort designed to enhance the Principal(s) position in terms of re-structuring and/or acquiring a real estate loan.
 - i. Principal reduction plans
- 6) Building Capital, Inc. does not make any guarantee whatsoever of credit enhancement or credit repair for the Principal(s)/Co-Principal.

Principal/Co-Principal has applied for a mortgage loan or loan modification from Building Capital, Inc. As part of the application process, Building Capital, Inc. and the mortgage guaranty insurer (if any), lender or loan servicer, may verify information contained in Principal/Co-Principal loan application and in other documents in connection with the loan, either before the loan is closed or as part of its quality control program or random audit. Principal/Co-Principal authorizes you to provide Building Capital, Inc. and to any investor to whom Building Capital, Inc. (or its Affiliates, Assignees, or Wholesalers) may sell Principal/Co-Principal mortgage, and any/all information and documentation that they request. Such information includes, but is not limited to, employment history and income; bank, money market and similar account balance(s); credit history; and copies of income tax returns. Building Capital, Inc. or any investor that purchases the mortgage may address this authorization to any party named in the loan application.

Principal's Name (print)

Principal's Social Security Number

Principal's Signature

Date

Co-Principal's Name (print)

Co-Principal's Social Security Number

Co-Principal's Signature

Date

I HEREWITH CERTIFY THIS TO BE A
TRUE AND CORRECT COPY OF THE ORIGINAL
BY [Signature] 03/10/09
BUILDING CAPITAL, INC.

A reproduction of this authorization is deemed to be the equivalent of the original and may be used as such.

I HEREWITH CERTIFY THIS TO BE A
TRUE AND CORRECT COPY OF THE ORIGINAL
BY Daly 03/10/09
BUILDING CAPITAL, INC.

ADVANCE FEE AGREEMENT

RE 880 (New 7/09)

ADVANCE FEE AGREEMENT FOR LOAN MODIFICATION SERVICES

This ADVANCE FEE AGREEMENT FOR LOAN MODIFICATION SERVICES (this "agreement") is made and entered into this 10TH day of MARCH, 2009, by and between the Real Estate Broker BUILDING CAPITAL (insert name) (the "Broker") and the Principal(s) _____ (insert name(s) of the borrower(s)/principal(s) represented in this agreement) (the "Principal") for the mortgage loan modification services as described herein.

A. PRELIMINARY MATTERS.

1. IMPORTANT NOTICES TO THE PRINCIPAL:

- a. The amount or rate of fees specified in this agreement for services is not fixed by California law. Fees are set or established by each Broker individually and are subject to negotiation between the Principal and the Broker.
- b. The Principal is compensating the Broker for services the Principal may be able to obtain at no charge from a housing counselor or by contacting the Lender(s) directly.
- c. Brokers are licensed by the California Department of Real Estate. The Department provides public information regarding its licensees, including the current license status and applicable disciplinary history (if any discipline has been imposed or is pending). The Principal can search the Department's licensing information about the broker at www.dre.ca.gov, by selecting the box captioned "Real Estate License Lookup" and following the directions and entering the information required in the box titled "Public License Information."
- d. California Civil Code Section 2945.1(b)(3) prohibits a Broker from claiming, demanding, charging, collecting or receiving any compensation or advance fee from a person whose residence is in foreclosure until all of the promised services have been fully performed and completed. THIS AGREEMENT MAY NOT BE USED AND SHOULD NOT BE EXECUTED BY THE PRINCIPAL IF A NOTICE OF DEFAULT HAS BEEN RECORDED AGAINST THE SUBJECT PROPERTY LISTED BELOW.

THE PRINCIPAL CERTIFIES BY INITIALING BELOW THAT THE PRINCIPAL HAS READ THE "IMPORTANT NOTICES TO THE PRINCIPAL" PROVIDED ABOVE, AND THAT A NOTICE OF DEFAULT HAS NOT BEEN RECORDED AGAINST THE SUBJECT PROPERTY.

_____ Initials of Principal(s)

2. INFORMATION REGARDING THE LOAN(S) AND RELATED PROPERTY ("SUBJECT PROPERTY") FOR WHICH THE LOAN MODIFICATION SERVICES WILL BE PROVIDED:

Lender Name _____

Loan Account Number _____

Address of Property _____

Description of Existing Loan Obligation(s) on the Subject Property _____

2nd Lender Name _____

2nd Loan Account Number _____

B. Agreement.

In consideration of the mutual promises and agreements exchanged, the Broker and the Principal agree as follows:

1. **Amount and Payment of Advance Fee.** The Principal agrees to pay an advance fee of \$ 875.00 (insert amount) to the Broker on the date this agreement is signed by the Principal, or within 3 days of the execution of this agreement by all parties.
2. **Deposit of Advance Fee and Accounting of Funds.** The Broker will deposit the advance fee into Broker trust account # 60020343356 (insert account number), located at FIRST FEDERAL BANK, 12401 WILSHIRE BLVD., LOS ANGELES, CA 90025 (insert name and address of depository). The Broker will provide a verified accounting of these funds to the Principal at the end of each calendar quarter following the execution of this agreement by the Principal, and at the completion or termination of this agreement (whichever occurs first).
3. **Scope and Completion of, and Payment for, Loan Modification Services.** The Broker shall perform the following loan modification services (without limitation) for and on behalf of the Principal. It is understood by the parties that the list below is not exhaustive, and that not all of the services listed below may be relevant to the Principal's loan(s) on the subject property.

Phase I:

- A. Interview the Principal, gather and review information about the current loan(s) and terms to include:
 - ❖ Mortgage loan(s) principal balance, monthly payment amount, mortgage statements, loan documents, current interest rate, expected rate and/or payment adjustments, equity, loan(s) payment history and correspondence from the lender(s).
 - ❖ Information about the Principal's income and assets, including:
 - ❖ Paystubs, W2s, 1099s, benefit award letters, retirement and pension benefit statements, annuity statements, child support/alimony, tax returns, profit and loss statements, schedules of real estate owned, stock and mutual fund portfolio statements, bank statements, proof of any other income.
 - ❖ Information about the Subject Property, including:
 - ❖ Property profile, comparable sales, active listings, current property listings and other applicable documents.
 - ❖ Information about the Principal's ability to repay the loan(s), including:
 - ❖ Credit history, hardship circumstances, financial profile (assessment of income, assets, expenses and housing debt to income ratio).
- B. Assist the Principal in preparing a hardship summary/letter.
- C. Prepare and submit loan modification request and package of supporting documents to lender(s).
- D. **Completion of Phase I Services.** The Broker will complete these Phase I services by _____ (insert date), and in no case later than 30 calendar days from the date this agreement is made, as first above written.
- E. **Payment for Phase I Services.** The Broker shall be entitled to 25.00% percent (but in no event more than 25 percent) of the advance fee (which entitlement percentage for Phase I services equals \$ 875.00) for the performance of the applicable and relevant services described in Phase I (and others as may be necessary and/or appropriate).

Phase II:

Phase II services are focused on the Broker's efforts to vigorously and successfully seek through the Lender(s) an offer to the Principals (which offer shall be assessed by the Broker and clearly explained to the Principals) of proactive loan modification solutions which will provide the Principals with the opportunity to remain in the Subject Property while making affordable loan payments.

- A. Contact the Lender(s) to discuss/negotiate the loan modification request(s) and package of supporting documents.

- B. Communicate regularly with the Lender(s) to attempt to negotiate new, and more favorable, loan terms on behalf of Principal.
- C. Assist the Principal in understanding and deciding about the modification terms offered by the Lender(s).
- D. Successfully negotiate and/or accomplish a loan modification for the Principal. "Successful loan modification performance" by the Broker shall have occurred if the Principal accepts one or more of the loan modifications set forth below:
- ❖ Change adjustable interest rate to a fixed interest rate
 - ❖ Reduce fixed interest rate to a lower fixed interest rate
 - ❖ Reduce balance of the principal amount of the loan
 - ❖ Reduce adjustable interest rate / reduce CAPS of adjustable interest rate
 - ❖ Stop upward adjustment of adjustable interest rate
 - ❖ Arrange for the delinquent payment amounts to be added to the end of loan
 - ❖ Arrange for the delinquent payment amounts to be added to a longer loan period
 - ❖ Arrange for the delinquent payment amounts to be accepted in an alternative payment plan
 - ❖ Eliminate or reduce the delinquent payment amounts
 - ❖ Arrange for the lender to accept a discounted pay-off or forbearance
- E. **Completion of Phase II Services.** The Broker will complete these services by _____ (insert date), and in no event later than 90 calendar days from the date this agreement is made, as first above written.
- F. **Payment for Phase II Services.** The Broker shall be entitled to 7.00% percent of the advance fee (the remainder of the advance fee not earned and paid for Phase I services (which entitlement percentage for Phase II services equals \$2,625.00) only for the "successful loan modification performance" of these Phase II services as described in Phase II (section d above).
- G. **Refund of Advance Fee Until Earned.** The advance fee paid by the Principal is fully refundable until earned by the Broker. If any of the agreed upon services are not completed by the Broker by the agreed upon completion date(s), the unearned portion of the advance fee will be refunded to the Principal within 5 business days. If this agreement is terminated by the Principal before the agreed upon completion date and before the agreed upon services are completed, the unearned advance fee will be refunded to the Principal within 5 business days.
- H. **Responsibilities and Obligations of the Principal.** The Principal agrees to furnish the Broker with truthful and accurate information and any documents that will be required by the Broker and the Lender(s) to assess the Principal's financial status, including (without limitation) the following:
- ❖ Mortgage Statements-past three months
 - ❖ Paystubs - past two pay periods
 - ❖ W2 forms, 1099 forms, and/or Tax Returns-past 2 years
 - ❖ Profit and Loss Statements-past 2 years (if self employed)
 - ❖ Bank Statements-past 2 months
 - ❖ Verification of any other income, Benefit Award Letters, Retirement Statements, Pension Benefit Statements, Annuity Statements, Child Support/Alimony
 - ❖ Schedules of Real Estate owned, Stock and Mutual Fund Portfolio Statements
 - ❖ Authorization for the Broker to obtain Principal information from Lender
- The Principal also agrees to provide additional information or documentation within 5 days of the Broker's request. The Principal further agrees to immediately notify the Broker of any change in the Principal's address.
- I. **Reasonable Efforts/No Guarantees.** The Broker will make reasonable efforts to conclude a "successful loan modification performance" as described in Phase II above. However, the Principal acknowledges that

the Broker cannot guarantee that the Principal's existing lender(s) will agree to a modification of the loan(s), and that Principal's existing lender(s) is not obligated to modify the terms of the loan(s) in any way and may not agree to any changes in the loan(s).

- J. **Governing Law.** This agreement shall be governed by and construed under the laws of the State of California.
- K. **Amendments.** Except as set forth herein, this agreement may not be amended or modified orally and no provision of this Agreement may be waived or amended except in a writing signed by the Principal and the Broker.
- L. **Severability.** If any provision in this agreement is determined to be invalid, illegal or otherwise unenforceable, the determination will not affect any other provision of this agreement. The invalid provision will be severed from this agreement and all remaining provisions will continue to be in full force and effect.
- M. **Termination of Agreement.** Either the Principal or the Broker may terminate this agreement at any time for any reason upon written notice to the other party. At the time of termination, all earned but unpaid fees for completed services (as set forth and described in provision number 3 of this agreement) become due and payable.
- N. **Dispute Resolution.** The parties to this agreement will endeavor to resolve any disputes or disagreements between them with respect to or concerning this agreement in a fair and amicable manner. However, if the parties are unable to resolve any such disputes between and/or among themselves (whether in law or equity), the parties expressly agree to binding, neutral arbitration in accordance with the California Code of Civil Procedure with any recognized California arbitration service. Said binding arbitration shall be the exclusive dispute resolution mechanism for seeking legal redress under this agreement. The arbitration hearing shall be conducted pursuant to the California rules of evidence and shall occur in the county where the Subject Property is located. The parties agree to share equally the costs of any such arbitration. Reasonable attorney's fees and costs shall be awarded to the prevailing party.
- O. **Time of Essence.** Time is of the essence with respect to every provision of this agreement that specifies a time for performance.
- P. **Entire Agreement.** Except as otherwise provided by section 2970 (b)(4) of Title 10 of the Code of Regulations, Chapter 6 (Real Estate Commissioner's Regulations), this agreement constitutes the entire agreement and a complete and exclusive expression of the parties' agreement respecting the loan modification services contemplated. Except as conditioned above, this agreement may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement.
- Q. **Assignment.** No assignment by the Principal or the Broker of this agreement, or of any rights or obligations hereunder, shall be valid without the prior written consent of all of the signatories to this agreement.
- R. **Acknowledgements and Representations.** The parties signing below acknowledge they have read and understood this agreement and have each received a copy. The Principal(s) warrants that he/she/they have the authority to enter into this agreement with regard to the Subject Property and loan(s) herein described.

_____ Name(s) of Principal(s)	_____ Signature	_____ Date
_____ Name(s) of Principal(s)	_____ Signature	_____ Date
_____ Name(s) of Principal(s)	_____ Signature	_____ Date
_____ Name(s) of Principal(s)	_____ Signature	_____ Date
_____ Name(s) of Principal(s)	_____ Signature	_____ Date
_____ Broker/Designated Officer Name	_____ Signature	_____ Date

I HEREWITH CERTIFY THIS TO BE A
TRUE AND CORRECT COPY OF THE ORIGINAL
BY  03/1/19
BUILDING CAPITAL, INC.

Example

I HEREWITH CERTIFY THIS TO BE A
TRUE AND CORRECT COPY OF THE ORIGINAL
BY 03/10/09
BUILDING CAPITAL, INC.

VERIFIED ACCOUNTING FOR ADVANCE FEES (3 page total)

Broker (Corporation) Name: Building Capital, Inc.
Broker Address: 1105 Glendon Avenue, Los Angeles CA 90024
Broker Trust Account #: 60020343356
Depository: First Federal Bank

Principal Name: _____

Principal Address: _____

1st Lender Name: _____

1st Loan Account #: _____

1st Lender Balance \$: _____

2nd Lender Name: _____

2nd Loan Account #: _____

2nd Lender Balance \$: _____

I hereby represent and attest that the information set forth herein (ALL 3 pages) is a true and accurate accounting.

Building Capital, Inc.

01344191

Broker (Corporation) Name

License Identification Number

David Parry

Company Officer & Broker of Record

Date

Total Loan Modification Fee	
Total Fee Amount	Balance
\$3,500.00	\$3,500.00

Advance Fee Accounting				
Advance Fee Amount Received	From (Principal)	Date Received by Broker	Date Deposited in trust account	Balance due from Principal to Broker
<\$875.00>	John Doe (EXAMPLE)	01/01/09	01/02/09	\$2,625.00

I HEREWITH CERTIFY THIS TO BE A
TRUE AND CORRECT COPY OF THE ORIGINAL
BY DeB 03/10/09
BUILDING CAPITAL, INC.

Phase I: Activity				
Services Performed by Broker	Date Performed	Amount of Advance Fee Allocated from Principal and received by Broker	Date Disbursed (Advance Fee received from Principal)	Balance due from Principal to Broker
Phase I: Gather & Review				
<i>General Info</i>	01/03/09			
<i>Income & Assets</i>	01/04/09			
<i>Subject Property</i>	01/04/09			
<i>Ability to Repay</i>	01/04/09			
<i>Hardship Letter</i>	01/05/09			
<i>Loan Modification Request (prepared)</i>	01/06/09			
<i>Loan Modification Package (submitted) to 1st Lender at (address): 123 Somewhere St. Anytown, CA</i>	01/07/09			
<i>Loan Modification Package (submitted) to 2nd Lender at (address): N/A</i>	N/A			
ALL Phase I services performed per "Advance Fee Agreement For Loan Modification Services"	01/07/09	<\$875.00>	01/01/09	\$2,625.00

I HEREWITH CERTIFY THIS TO BE A
TRUE AND CORRECT COPY OF THE ORIGINAL
BY 03/14/09
BUILDING CAPITAL, INC.

Phase II: Activity				
Services Performed by Broker	Date Performed	Amount of Advance Fee Allocated from Principal and received by Broker	Date Disbursed (Advance Fee received from Principal)	Balance due from Principal to Broker
Phase II: ANY of the following items shall constitute a "Successful Loan Modification"				
<i>Change ARM* interest rate to Fixed interest rate</i>	02/15/09			
<i>Reduce Fixed interest rate to a lower Fixed interest rate</i>	N/A			
<i>Reduce balance of the principal amount of the loan</i>	N/A			
<i>Reduce ARM interest rate / Reduce caps of ARM interest rate</i>	N/A			
<i>Stop upward adjustment of ARM interest rate</i>	N/A			
<i>Arrange for the delinquent payment amounts to be added to the end of loan</i>	02/15/09			
<i>Arrange for the delinquent payment amount to be added to a longer loan period (amortization or term)</i>	N/A			
<i>Arrange for the delinquent payment amount to be accepted in an alternative payment plan</i>	02/15/09			
<i>Eliminate or reduce the delinquent payment amount</i>	N/A			
<i>Arrange for the lender to accept a discounted pay-off or forbearance</i>	N/A			
ALL Phase II services performed including Successful Loan Modification	03/05/09	<\$2,625.00>	03/06/09	\$0.00

*ARM: Adjustable Rate Mortgage